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Albanese Visits China to Strengthen Trade Ties Amid Regional Tensions

July 13, 2025

— Categories: Economics



Australian Prime Minister Anthony Albanese began his second official visit to China on Saturday, July 12, aiming to solidify recently improved trade relations, even as geopolitical frictions remain elevated. The trip marks a pivotal moment in the ongoing effort to reset a relationship that has been strained over the past decade by national security disputes and competing regional interests.

Albanese's six-day visit includes stops in Beijing, Shanghai, and Chengdu, and follows significant progress in bilateral ties, most notably China's decision in December to lift its

ban on Australian rock lobster imports, effectively ending years of trade hostilities that began in 2017.

“Trade is now flowing freely, to the benefit of both countries and to people and businesses on both sides,” Albanese said before his departure.

However, his visit comes at a delicate time. China’s expansive territorial claims, especially in the South China Sea, continue to provoke concern among neighboring countries and regional allies, including Australia. Albanese acknowledged the complexity of the diplomatic agenda, saying he would raise all key issues in talks with Chinese leaders, including President Xi Jinping.

“We cooperate where we can, we disagree where we must, and we’re able to have those honest conversations,” Albanese told reporters. “We have different political systems and values, but direct engagement is essential.”

China’s foreign ministry echoed optimism about the visit. “Ties between our countries have continued to improve and grow,” said ministry spokesperson Mao Ning. “We hope this visit will strengthen communication, enhance mutual trust, and expand practical cooperation.”

Still, the timing of the visit is geopolitically sensitive. As the United States, under former President Donald Trump, redefined trade dynamics with aggressive tariffs, Australia and other U.S. allies have increasingly considered diversifying their economic relationships.

“This trip won’t be a walk in the park,” said Huong Le Thu, Asia deputy director at the International Crisis Group. “Albanese must walk a tightrope between managing relations with China and maintaining Australia’s strategic alliance with the U.S.”

Security concerns remain a major sticking point. Australia has grown increasingly wary of Chinese technology, banning the AI-powered chatbot DeepSeek from government devices in February over data privacy and malware risks. China condemned the move as politicizing trade and technology.

Military tensions have also flared. In February, a close encounter between military aircraft from the two countries triggered diplomatic protests, underscoring lingering mistrust despite the trade thaw. Another unresolved issue is the Chinese-owned lease of Darwin Port. Albanese’s government is considering forcing a sale to an Australian entity, a move Beijing is likely to resist.

“China wants to project that relations with Australia are back to normal—if not friendly,” said Jingdong Yuan, a China expert at the Stockholm International Peace Research Institute. “Beijing would prefer the Darwin Port issue to quietly disappear.”

Yuan added that China may also seek to exploit divisions created by the Trump-era U.S. foreign policy to encourage Australia to assert greater independence from Washington. Despite ongoing tensions, China remains Australia’s largest trading partner, accounting for nearly a third of total trade. Recognizing the importance of this relationship, Albanese is traveling with a high-level business delegation, which will participate in a CEO roundtable in Beijing.

Beyond trade, the visit will also touch on tourism and cultural ties, with events planned in economic powerhouse Shanghai and Chengdu, the capital of Sichuan province and a rising cultural destination.